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NET INCOME GAIN LIKELY IN 1957

Some increase in the net income realized by farm operators is likely in 1957. It was up slightly in 1956, for the first time since 1951.

Strong demand from consumers, increasing shipments of farm products abroad, the Soil Bank, designed to reduce crop production, and reduced hog marketings are keys to the situation. However, the Soil Bank probably won't affect marketings until the last half of the year.

Demand for farm products is likely to be maintained at a high level in 1957. Population continues to grow and economic activity should remain high. Consumer incomes and expenditures for food are expected to rise again.

However, the costs of marketing food may continue to go up in 1957. If this happens, only part of the increased expenditures for food would go to farmers, and the farmer's share of the consumer's retail food dollar in 1957 might average about as in 1956—40 cents.

Prospects for overseas markets look good. With the Government continu-

ing to help finance exports, increased shipments are expected in 1957.

Supplies of farm products continue abundant. Large stocks, especially of cotton, wheat, feed grains, rice, and corn, were carried into 1956-57. Total farm production in 1956 was a record.

Large exports, however, will probably reduce the stocks of cotton, wheat, and rice this season. Stocks of corn, on the other hand, are likely to increase.

Marketings of hogs are likely to be smaller in most of 1957 than in 1956, with resultant stronger prices. This will result from reduced pig crops of 1956. The downtrend in farrowings may be halted, however, sometime during 1957.

The extent to which the Soil Bank will reduce crop acreage is still uncertain. Forty to forty-five million acres could go into the Soil Bank, about one-ninth of the total of 360 million acres of cropland. By the end of 1956, approximately 10 million acres, diverted from winter wheat, had been placed in the Acreage Reserve. Perhaps as much again might be taken from spring wheat, cotton, corn, and

other basic crops, and another 20 million acres might be placed in the Conservation Reserve.

Thus, unless yields are substantially larger than in 1956, marketings of crops presently in surplus will likely be smaller in the last half of 1957.

In general, farm prices are likely to average a little higher in 1957 than in 1956. Farmers may sell a little less in 1957 if the Soil Bank reduces production. But any income lost as a result might well be offset by Government payments and somewhat higher prices.

The generally strong business activity will probably result in a small increase in the prices of things farmers buy. However, with fewer acres being farmed because of the Soil Bank, total production costs are not likely to change much. Since gross farm income will go up, farmers' net income should increase somewhat for the second consecutive year.

How You Voted

CORN—Acreage allotment program approved by growers in commercial area for 1957 and subsequent crops. Allotment: 37.3 million acres. Price support (national average): \$1.36 per bushel.

COTTON—Marketing quotas for 1957 crop approved by growers of upland and extra long staple. Allotment: 17.6 million acres and 89,000 acres, respectively. Price-support level to be announced.

RICE—Marketing quotas for 1957 crop approved by growers. Allotment: 1.7 million acres. Price support: \$4.43 per cwt. minimum, 80 percent of parity.

PEANUTS—Marketing quotas for 1957, 1958, and 1959 crops approved by growers. Allotment: 1.6 million acres. Price-support level to be announced.

Flue-Cured Acreage Will Be Cut in 1957

Producers of flue-cured tobacco will have new price supports in the 1957 marketing year, designed to encourage production of varieties in strong demand. Allotments under the marketing quota program have been cut from 887,000 acres to 712,000 acres, because supplies are large compared with domestic and export requirements.

Acreage allotment for burley has been set at 309,000 acres, the same as 1956. For other types, allotments will be announced later. In February, growers of cigar filler and binder types (42-44 and 51-55) will decide by referendum whether they favor marketing quotas on their next three crops. A two-thirds favorable vote is necessary.

Government price supports for tobacco under marketing quotas are set at 90 percent of parity, except for fire-cured, dark air-cured, and sun-cured. Fire-cured is at 75 percent of the burley loan level and the others at 66 percent of this level.

Total supply of flue-cured for 1956-57 is at a record high of nearly 3.7 billion pounds—up 4 percent from 1955-56. This year's harvest acreage was down 12 percent, but yields per acre averaged a new high.

Production of burley in 1956 is estimated at about 5 percent above the comparatively small 1955 crop. Total supply for 1956-57 is near 1.8 billion pounds, a little less than for each of the last 2 years.

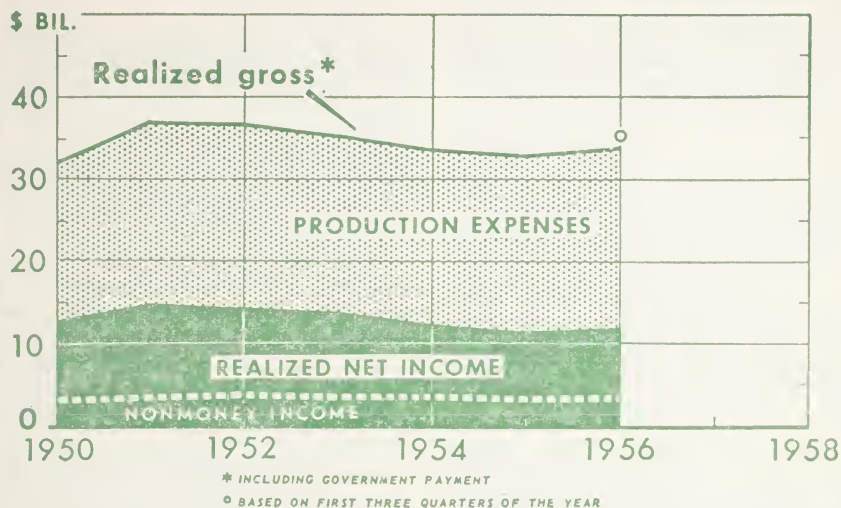
Total supply of Maryland tobacco at 110 million pounds is a near record.

Arthur G. Conover
Agricultural Economics Division, AMS

The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

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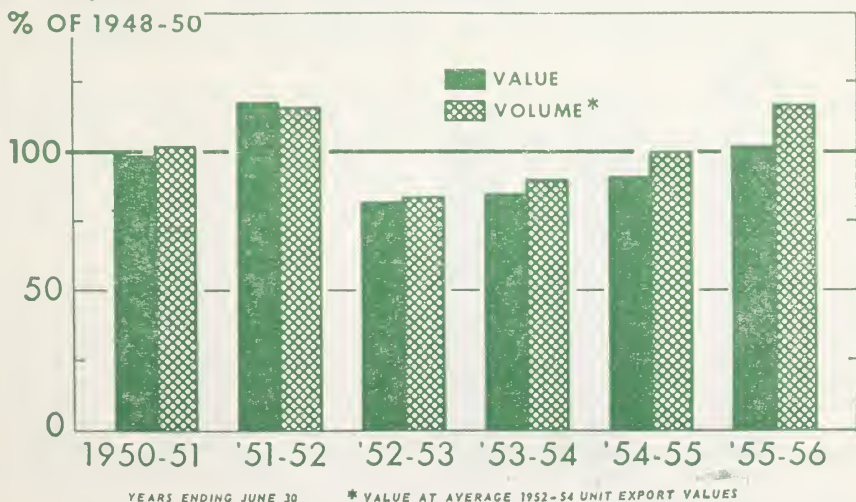
Farm Income Gain Likely in 1957



U. S. DEPARTMENT OF AGRICULTURE

NEG. 443A-56 (10) AGRICULTURAL MARKETING SERVICE

Both Value and Volume of Farm Exports Up 3 Years in a Row



U. S. DEPARTMENT OF AGRICULTURE

NEG. 3616-56 (10) AGRICULTURAL MARKETING SERVICE

RECORD FEED GRAIN SUPPLY MEANS BIGGER CARRYOVER FOR 1957-58

The 1956-57 supply of feed grains and other concentrates is estimated at a new high of 200 million tons, 15 percent above the 1950-54 average.

Going into the spring of 1957, feed grain prices are expected to continue higher than a year ago. But if the 1957 growing season is favorable, prices may average a little lower in the summer of 1957 than they did a year earlier.

It also looks as though carryover stocks will be boosted to a new record at the close of the 1956-57 season. The 43 million tons carried into 1956-57 was itself a record. Stocks have been going up steadily since 1952.

Total 1956 acreage of the four feed grains—corn, sorghum grain, oats, and barley—was reduced by 10 percent from 1955. But yield per acre was higher. Consequently, production declined only 1 percent to 130 million tons. This would be a million tons below 1955 production. But it would be 10.6 million tons above the 1950-54 average.

Exports are not likely to equal the record 8.1 million tons of 1955-56. But they should continue comparatively high. Most of the 1955-56 exports were sold under Public Law 480. Various Government export programs will be available again in 1956-57.

Corn

Corn supply for 1956-57 is estimated at over 4.6 billion bushels. This would be nearly one-fifth larger than the 1950-54 average. The 1956 production, totaling over 3.4 billion bushels, would be the second highest on record. This probably would exceed total 1956-57 requirements by over 250 million bushels.

The acreage planted to corn has been declining for a number of years. In 1956, it fell below 80 million acres for the first time in more than 60 years. But corn yields in 1956 reached a new record 45 bushels per acre. Hence the production jump.

Disappearance may be a little heavier than in 1955-56 because substantially less oats and sorghum grain are available for feeding. Use for food and industrial purposes is expected to continue at near the 1955-56 level of 257 million bushels. Exports may be about as large as the 107 million bushels (grain only) in 1955-56.

As a result of the December 11 referendum of corn producers in the commercial area, the corn acreage allotment program remains in effect. About 61 percent of farmers voting favored the Soil Bank base acreage program. However, a two-thirds vote was required for approval.

Acreage allotments for the 1957 commercial area of 894 counties total 37.3 million acres, compared with 43.3 million acres for the 840 counties in the commercial area in 1956. In recent years, 57 to 59 million acres have been planted in the counties included in the 1957 commercial area. The national

NEW HAY SUPPLY IS NEAR RECORD

Supplies are generally ample for the number of forage-consuming livestock to be fed in most areas. Supplies for 1956 which will furnish feeding through the winter are estimated at a near record of 125 million tons. Of this, 108.7 million tons were produced in 1956.

In large areas of the central part of the country, however, supplies of both forage and feed grain crops are much below average. In that area, pastures and ranges furnished much less than normal feed for livestock during the summer and fall of 1956. The area includes more than 500 counties under the emergency feed grain and hay programs.

average price support of \$1.36 per bushel will be available to producers who comply with their 1957 allotments.

Barley

Supply for 1956-57 is estimated at about 520 million bushels. This would be 7 percent under the 1955-56 record figure.

Acreage harvested in 1956 is estimated at 12 percent less than in 1955. However, yield per acre set a new record of 29 bushels. This resulted in a crop of about 372 million bushels, which is nearly a third above the 1950-54 average. Higher supports for barley have strengthened prices for the 1956 crop.

Sorghum Grain

The 1956-57 supply is estimated at 285 million bushels. This is down 10 percent from the 1955-56 record. Acreage harvested was reduced 27 percent; but yield per acre was higher.

Net result may be some reduction in the record stocks carried over into 1956-57. The carryover is largely Government owned. Prices this winter are sub-

stantially higher than last. The quantity fed to livestock in 1956-57 probably will be smaller than in 1955-56.

Exports are expected to continue heavy in 1956-57, although they will probably be smaller than the near-record total of 66 million bushels in 1955-56. The exports will be principally from Government stocks.

Oats

Oat supplies for 1956-57 are figured at about 1,520 million bushels. This would be 16 percent below the record supply of 1955-56. It would be 4 percent below the 1950-54 average.

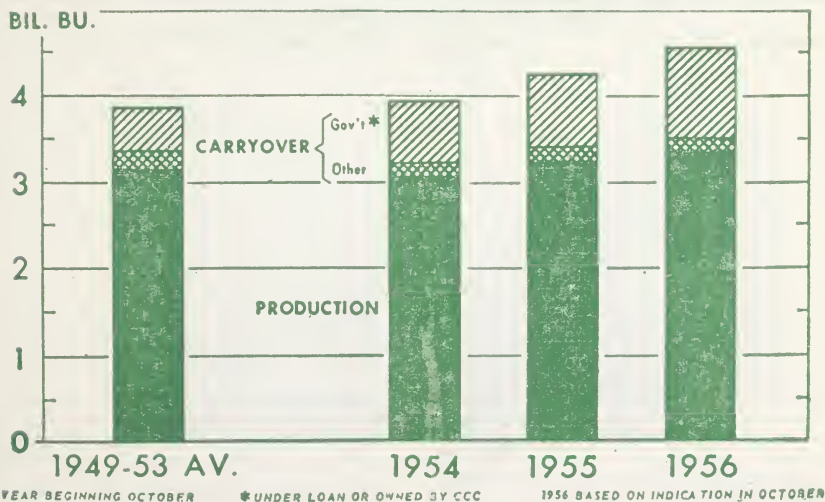
Acreage harvested is calculated at 14 percent below that of 1955. Average yield per acre is figured at 10 percent lower. Fewer oats will be utilized—perhaps 10 to 12 percent less. Practically all the reduction will be in livestock feeding.

Smaller production and higher supports have strengthened oat prices in 1956-57.

Malcolm Clough

Agricultural Economics Division, AMS

Both Production and Stocks Up as Corn Supply Increases



PROSPECT GOOD FOR CUT IN STOCKS OF WHEAT, RICE, RYE IN 1956-57

Reductions in wheat production and oversupply are expected in 1957, largely because acreage is being reduced by farmer participation in the Soil Bank.

The national average support price for the 1957 crop will be not less than \$2 per bushel, the final 1956 rate. This full support level will be available in the 36 commercial wheat States for producers who comply with their individual farm acreage allotments.

However, support rates in the 12 non-commercial wheat States are set by law at levels representing 75 percent of the rates calculated on the national average. In these States, acreage allotments and marketing quotas are not applicable.

A 1957 winter wheat crop of 625 million bushels is indicated, as of December 1. This assumes normal weather and heavy participation in the Soil Bank.

Wheat farmers signed up 10.7 million acres in the 1957 winter wheat acreage

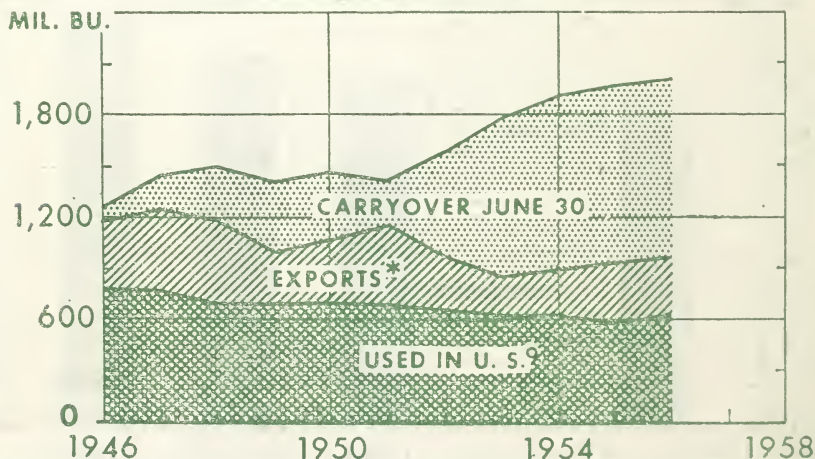
reserve program of the Soil Bank. Assuming seeding conditions and prices are favorable, not more than 3 million acres of spring wheat will be taken out of production. This would indicate an acreage to be seeded of about 13.3 million acres.

At average yields, this would mean a crop of about 185 million bushels; adding winter wheat, a total crop of about 810 million bushels.

Disappearance, on the other hand, may amount to 945 million bushels, about 135 million bushels above the indicated crop. This figure for disappearance is arrived at by assuming domestic disappearance in 1957-58 will not be greatly different from the current levels of 600 million bushels. Exports are assumed at the 1955-56 level of 345 million bushels.

The estimated net reduction in stocks by around 135 million bushels might be smaller if moisture conditions improve greatly, if wheat is planted on the best

Gain in Wheat Carryover in 1955-56 Smallest in 4 Years



YEAR BEGINNING JULY

*INCLUDES FLOUR MILLED FROM DOMESTIC WHEAT ONLY

○ INCLUDES TERRITORIAL AND MILITARY FOOD USE
1956 DATA ARE SEPTEMBER ESTIMATES

soil, and if it is fertilized more heavily than usual. However, it seems fair to conclude that even under these conditions, production will be substantially below disappearance, leading to a sizable reduction in 1957-58 of the very large carryover stocks.

Rice

Prospects are that sharply increased exports during 1956-57 will reduce the carryover from the record 34.6 million cwt. (rough basis) on hand August 1, 1956, to about 18 million cwt. on August 1, 1957.

Minimum national average support for 1957 is \$4.43 per cwt., 80 percent of parity. This compares with \$4.57 per cwt. for the 1956 crop, which was 82.5 percent of parity.

Export increases are possible because competitor countries have largely disposed of their surpluses. Practically all the rice now held by the Commodity Credit Corporation has been committed. It is probable that most of the 1956 crop which will be delivered to CCC next spring will be readily committed.

Growers approved marketing quotas for the 1957 crop by referendum on December 11, 1956. National acreage allotment is 1,652,596 acres. Assuming about 200,000 acres are placed in the acreage reserve program of the Soil Bank and allowing for underplanting of farm acreage allotments, about 1,425,000 acres may be planted in 1957.

This would mean a crop of about 41.3 million cwt., assuming yields at the 1955 level. This would be substantially below the 1956 figure of 47.5 million cwt. and the record 64.2 million cwt. of 1954.

Assuming the above production and carryover, exports in 1957-58 will be much less than in 1956-57 since domestic use is likely to hold at 25 million cwt. Only about 34 million cwt. would be available for export, compared with 38 million cwt. expected to be exported in 1956-57. Commercial exports and any CCC rice committed for export in 1956-57 and actually shipped the following year probably would further reduce carryover by August 1, 1958.

Rye

Rye supply for 1956-57 is 41.7 million bushels, substantially under the figure last year and the 1950-54 average of 34.1 million bushels.

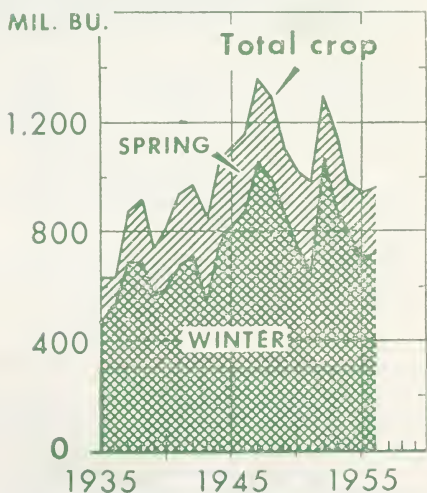
The 1956 crop is being supported at an average of \$1.27 per bushel, compared with \$1.18 in 1955. Large quantities have been placed under support programs because prices have been below support. But average prices advanced from \$1.09 to \$1.24 in mid-November.

Domestic disappearance in 1956-57 may total about 23 million bushels compared with 25.2 million in 1955-56. Exports may reach 10 million bushels for 1956-57.

As a result, carryover July 1, 1957, may be about 9 million bushels, a substantial reduction from the 16.7 million on July 1, 1956. In 1950-54 the carryover averaged 7.9 million bushels.

Robert E. Post
Agricultural Economics Division, AMS

Allotments and Quotas Cut Wheat Production



DATA FOR 1956 ARE SEPTEMBER 1 ESTIMATES
NEG. 650A-56 (9) AGRICULTURAL MARKETING SERVICE

U. S. DEPARTMENT OF AGRICULTURE

EGG, TURKEY, BROILER OUTPUT MAY SET RECORDS IN 1957

Production of eggs, turkeys, and broilers is likely to set new records in 1957—just as it did in 1956. Egg and turkey prices may average lower. But broiler prices may go up slightly, helped by a somewhat smaller supply of red meat and by continuing strong demand.

The poultry industry has been establishing successive production records in recent years, while prices for eggs, chickens, and turkeys have been on the downtrend. Finance methods used in the industry have encouraged big production. Apparently this will be as true in 1957 as in all other recent years.

Farmers probably will raise almost as many replacement chickens this spring as they did last spring. This was approximately 472 million. Egg production late in 1956 reflected the size of the laying flock, which was within 1 percent of a year earlier. Laying was at a higher rate per bird, and

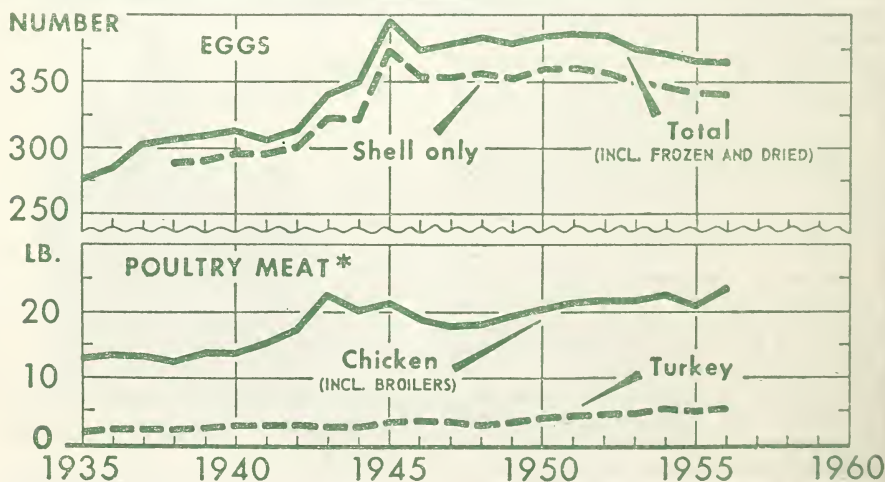
prices were 10 to 15 cents per dozen below those of a year earlier.

Egg supplies and prices in the fall of 1957 are likely to be at about the 1956 level for the corresponding months. For 1957 as a whole, egg production on farms probably will exceed the 168 million cases in sight for 1956. This adds up to 1957 prices averaging somewhat less than the 38 cents per dozen estimated for 1956.

Turkey prices through the late summer of 1957 probably will be sharply lower than they were during the corresponding months of 1956.

The 1955 crop was small and storage holdings had been rapidly depleted by the summer of 1956. But 1957 late-summer prices will reflect the record large holdings of frozen turkeys from the 1956 crop which are currently in cold storage. Also, it seems likely that

Consumption of Poultry Products at High Levels



the 1956 record production of 76 million turkeys will be exceeded in 1957.

Total value of farmers' sales of all poultry products may be a little higher in 1957 than the \$3.2 billion estimated

for 1956. It depends, of course, on whether increases in volume and in broiler prices offset the anticipated lower prices for eggs and turkeys.

Edward Karpoff
Agricultural Economics Division, AMS

EXPORTS OF FOOD FATS AND OILS MAY EQUAL LAST YEAR'S RECORD

Chances that exports of food fats and oils through September 1957 may equal last year's record-breaking 2.7-billion-pound level appear reasonably good. Moreover, if the crisis in the Near East should be prolonged, export demand for United States fats and oils could strengthen further.

If the 1955-56 export record is achieved—or nearly so—it may figure out somewhat in these proportions: 1.1 billion pounds of soybean and cottonseed oils, over 75 million bushels of soybeans (roughly 850 million pounds in terms of oil), and about 600 million pounds of lard, plus small quantities of minor products.

Production of all fats and oils (food and nonfood) for the 1956-57 marketing year is forecast at 14.8 billion pounds, nearly the same as the 1955-56 record. Soybean production is a record topper, flaxseed production is up, and cottonseed production is down only moderately. Tallow and grease output will be smaller.

Lard production probably will be reduced about 8 percent. Prices of lard should average higher in 1956-57 than last year. Butter production probably won't change much, but exports probably will decline because Commodity Credit Corporation stocks are gone.

Soybean supplies for 1956-57 are estimated at 460 million bushels. This is about 75 million bushels more than the 1955-56 record. The 1956 crop is estimated at 456 million bushels, up from 374 million in 1955. Stocks were 4 million bushels.

The season average farm price probably will be a little above support level. Because supplies are very large, no

more than a moderate seasonal rise is expected unless foreign demand becomes exceptionally great.

The 1956 cottonseed crop, estimated at 5.5 million tons, is the smallest since 1950. Farm prices probably will average substantially above support.

Flaxseed output in 1956 may run 49 million bushels, compared with about 32 million bushels needed domestically for oil, seed, and feed. Unless world conditions change materially, prices probably will continue to average near the support figure.

Output of inedible tallow and grease will likely be down from the 1955-56 record 3.1 billion pounds because of the drop in hog slaughter. Prices in 1956-57 to a large extent will again depend on export demand which is expected to be strong.

Peanut supplies are about 8 percent above last year. Prices are likely to be near support for all types except the drought-stricken Southwest Spanish crop. Its prices may be above support.

Peanut growers approved by referendum on December 11, 1956, marketing quotas for 1957, 1958, and 1959. This means prices will be supported at some level between 75 and 90 percent of parity, the exact level to be announced later.

As always, soybeans will compete with corn and other crops for land in 1957. Soybean acreage will stay large but will not increase as much as it would had the corn Soil Bank base been approved. The bank may hold cottonseed production below 1956.

George W. Kromer
Agricultural Economics Division, AMS

RECORD CASH RECEIPTS FOR MILK POSSIBLE FOR DAIRYMEN IN 1957

More milk to sell than ever before, with record cash receipts, seem in store for the dairy farmer in 1957.

It looks as though prices to farmers will remain just about as they are through at least March 1957, the end of the 1956-57 marketing year—allowing, of course, for seasonal variation.

Prices in 1957-58 will be influenced by the level of supports. With surpluses of milk fat and solids-not-fat such as have existed in recent years, the support program has been mainly responsible for setting values of butter and nonfat dry milk, respectively.

Let's see why the situation looks this way as the new year begins:

First, Bossy has been giving more milk in recent years, thanks to technological advances. There is no reason to think she won't continue to do so.

Other factors making for probable high milk production are relatively

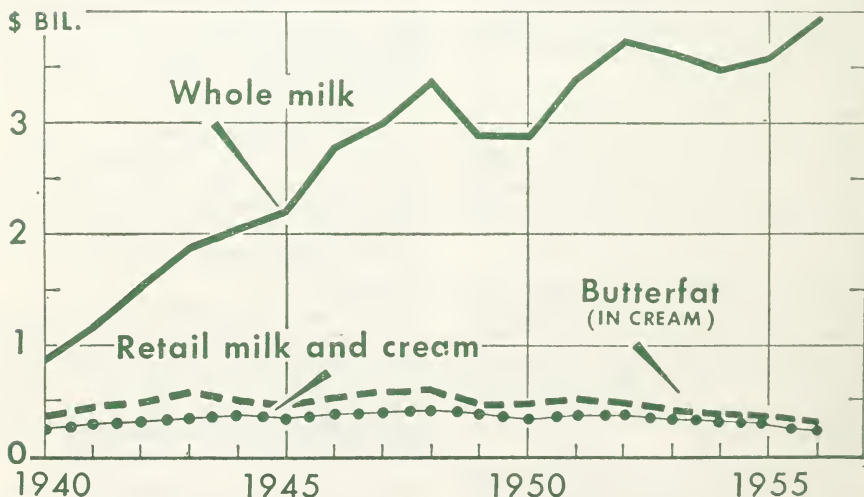
large feed supplies and comparatively favorable price relationships. It isn't likely there will be any significant change in the prices of competing products in 1957, except possibly for hogs.

Milk production was around 127 billion pounds—a record—in 1956. Best thinking now is there will be a new record production in 1957 of 129 to 130 billion pounds.

Farm sales of milk in all forms reached a new record 113 billion pounds in 1956. But the 1957 figures may be even better—115 billion pounds or more. Partly that is due to farmers using less milk in their own households and for making farm butter.

As a result of continued shift from sale of farm-separated cream to sale of whole milk, farmers' sales of the solids-not-fat component of milk have been increasing even more rapidly than sales of milk fat.

Higher Prices, Larger Sales Boost Dairy Cash Receipts



Consumer demand for dairy products figures to be at least as strong in 1957 as in 1956. Consumer incomes are going up. Retail prices of several dairy products—fluid milk is one—may average higher in 1957 than in 1956 as a whole. Consumption of milk per person from commercial and Government sources likely will be around 708 pounds in 1956. That compares with 700 pounds in 1955. This would not be a record, however. Top in history was the 821 pounds in 1942; average for 1935–39 was 791 pounds.

The decline in consumption of milk ever since the late 1930's is primarily due to decreasing use of butter. Butter consumption has dropped from over 16 pounds per person to around 9 pounds. Some other items have increased but not enough to offset the milk equivalent of the drop for butter.

Even if the amount of milk consumed per person didn't increase in 1957, the anticipated rise in population would expand the civilian market by around 2 billion pounds. That's approximately what the increase in total milk output figures to be.

Consequently, in the next 12 months, the quantity sold to the Commodity Credit Corporation probably will about equal the 5 billion pounds purchased in each of the past 2 years. It will be about half the 1953–54 figure.

So, counting the anticipated increase in sales, cash receipts from dairy products are likely to set a new record in 1957. Even in 1956, they were second highest of record—probably a little over \$4.5 billion.

Net income from the dairy enterprise also has shown some improvement in the last 2 years. Prospects for 1957 are that farmers' net position will be at least as good as in 1956.

So far as CCC stocks are concerned, they have been disposed of faster than purchased in the past 2 years. All butter stocks had been exhausted toward the end of 1956. Supplies of non-fat dry milk were down to 14 million pounds. Cheese supplies stood at 170 million pounds. As recently as 1954, CCC had 467 million pounds of butter on hand.

Herbert C. Kriesel
Agricultural Economics Division, AMS

"Bert" Newell's Letter

As usual, this is the Outlook issue. Along in November each year, the specialists in the Department of Agriculture get together and analyze the statistics and all the other facts they can get their hands on and prepare a report. After the Outlook and Situation Board has passed on the statements, the Department issues its annual Outlook Report. It is then reviewed and analyzed by the State extension economists at the colleges and others who adapt it to the particular problems in each State.

A lot of highly trained specialists have devoted a lot of time to analyzing the situation and giving you their very best judgment on what you might expect during the coming year. It looks like it would just be good horse sense to look over the report rather carefully. It might suggest the answer to some pretty tough problem.

And right here I want to add one other thing. There wouldn't be any Outlook Report—indeed, it wouldn't be possible to have one—if it were not for crop and livestock estimates, farm price reports, and all the other facts you help us to get together all during the year.

I'm not going to waste your time with any more chatter of mine. In this issue of the AGRICULTURAL SITUATION, the editors have done a lot of work trying to give you the outlook highlights. Look it over carefully, and if you need more complete information on anything you see here, ask your State statistician. He can get complete reports for you.

S. R. Newell
Chairman, Crop Reporting Board, AMS

COTTON CARRYOVER CUT LIKELY FOR FIRST TIME SINCE 1950-51

For the first time since the 1950-51 marketing year, disappearance of cotton is expected to exceed production—and by 19 percent, almost one-fifth.

As a result, the carryover on August 1, 1957, is expected to be more than 2 million running bales smaller than the record high of 14.5 million of a year earlier.

Best estimates are for disappearance of 15.5 million bales during 1956-57. Estimated disappearance in the current season is more than 4 million bales larger than in the preceding season.

The record high supply of 27.8 million bales includes the starting carryover mentioned above, estimated imports of 0.1 million bales, and production of about 13.2 million.

The big jump in disappearance will be due to exports. Domestic consumption is expected to decline slightly from 9.2 million to 9 million bales.

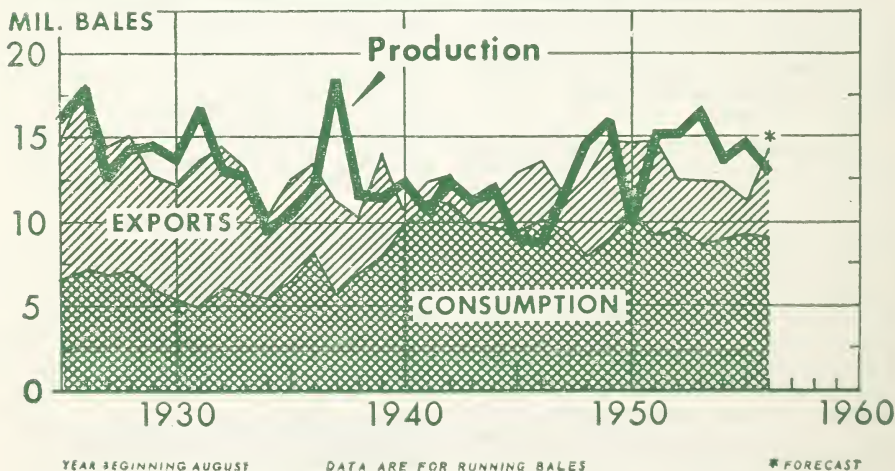
Because of the competitive prices at which the Commodity Credit Corporation is offering cotton for export—about 6.5 cents below the loan rate for the 1956 crop—as many as 6.5 million bales may be sold abroad during 1956-57.

Only 2.2 million bales were exported in the previous marketing season. Since CCC-program cotton could not be shipped until after July 31, 1956, foreign importers apparently held off buying as long as they could. Now they are replenishing their stocks. Foreign free-world stocks on August 1, 1957, should be about 1.5 million bales larger than a year before.

CCC will sell all the cotton exported in 1956-57 because the export sales prices are below support and domestic market prices.

The estimated export figure of 6.5 million bales is partly based upon Government authorizations of \$424 million

Reduced 1956 Cotton Crop Below Probable Disappearance



to finance cotton exports in the 1956-57 fiscal year. If completely used, these funds would in themselves finance the export of about 2.8 million bales. This would compare with about 1.6 million bales exported a year earlier under a similar program.

Changes from the estimates of foreign consumption, production, or ending carryover would alter the size of cotton exports. If exports should increase above 6.5 million bales because of larger stocks abroad on August 1, 1957, than now estimated, exports of cotton in 1957-58 probably would suffer.

The anticipated slight dip in domestic consumption is probably due in part to relatively high prices during February-July 1956, when large stocks of cotton goods were being accumulated. However, domestic consumption may pick up in the first half of 1957 because of somewhat smaller manmade fiber consumption, somewhat lower cotton prices since August 1, and continued high consumer income.

The consumption of cotton per capita in 1956 is estimated at about 25.7 pounds. This compares with 26.5 pounds in 1955 and 25.4 pounds in 1954. The consumption of manmade fibers per capita in 1956 is estimated to be about a pound less than the 11.2 pounds of 1955.

CCC-held stocks—owned and held as collateral against outstanding loans and excluding cotton sold for export—were about 9.6 million bales on November 30. Of this amount, 2.9 million bales were 1956-crop cotton. A year earlier, CCC-held stocks were approximately 11.9 million bales.

The 1956 cotton crop was down 1.3 million bales from the 1955 figure because harvested acreage declined from 16.9 million to 15.7 million bales and per acre yield from 417 pounds to 408 pounds.

The United States total of the State acreage allotments for 1957 is 17.6 million acres. This compares with 17.4 million acres for 1956. On December 11, growers approved the acreage allotment program by about 95 percent of those voting.

In addition, growers can participate in the acreage reserve program by reducing their planted acreage below their acreage allotment. The announced United States goal for the acreage reserve program for cotton is 3.5 to 4.5 million acres.

The estimated larger disappearance and smaller supply of extra-long-staple cotton in 1956-57 necessitates a larger acreage allotment for 1957. The causes of the smaller supply include a smaller starting carryover, down about 47,000 bales on August 1, 1956, from a year earlier and an estimated decrease in imports. Imports may be down about 16,000 bales in 1956-57 from 1955-56.

Frank Lowenstein
Agricultural Economics Division, AMS

WOOL PRICES MAY EDGE UP IN 1957

Wool production in 1957 is likely to be about the same as in 1956. Judging from slaughter figures, there won't be much change in the number of stock sheep.

Prices of wool, however, may average a little higher in 1957 than in 1956. That's assuming there is no substantial weakening of the world demand.

World production of wool is expected to go up about 4 percent. Stocks, however, are a little lower, and increased capacity for production of manmade fiber by private industry is anticipated.

Mill use of apparel and carpet wool went up in 1956 for the second year in succession. With the Commodity Credit Corporation sales substantially above last year, more domestic wool is expected to be consumed at home than during 1956.

If prices do go higher, the rate of Government payment would be less than it was in 1956. The incentive level for shorn wool for the 1957 marketing year has been established at 62 cents per pound, grease basis, to the producer. This is the same level as in 1955 and 1956.

Outlook for Fruit, Fresh and Processed Vegetables, Potatoes, Sweetpotatoes, Peas, and Beans

Fruit growers can anticipate a demand at least as great in 1957 as in 1956. Quite possibly, the demand will be higher.

To meet this demand, total supplies of fruits and tree nuts are expected to be at least as large this winter as a year earlier. Supplies of fresh fruits are expected to be somewhat smaller; those of processed fruits, larger.

The export picture is brightest for winter oranges since the Spanish industry will require from 3 to 5 years to recover from last February's freeze. Dried and canned fruits, apples, and pears also could benefit from favorable action by some Western European countries. Summer oranges may encounter greater competition from the Southern Hemisphere fruit.

Given average weather, total production of deciduous fruits in 1957 probably won't greatly differ from that of 1956.

Larger 1957 crops of apples, apricots, and cherries—all of which suffered from bad weather in 1956—may be expected, if weather is average next year. Smaller 1957 crops of peaches, pears, plums, and prunes seem likely. Total grape production may be slightly larger than in 1956 and strawberry acreage may be up a little. Lemon production in 1956-57 should be up 8 percent.

Continuing the upward trend of the last few years—particularly in Florida and Texas—production of oranges and grapefruit in 1957-58 probably will be higher than the anticipated 1956-57 figure.

The 1956-57 crop of early and mid-season oranges is expected to exceed the 1955-56 crop by 3 percent. However, grapefruit production in 1956-57 is expected to be smaller than in the previous year.

Output of frozen orange concentrate set a new record in 1955-56 and should increase further in 1956-57.

Because of the export prospects for citrus fruits, the Department of Agri-

culture will not make export payments on the 1956-57 crops of either oranges or grapefruit.

Production of the four major tree nuts—almonds, filberts, pecans, and walnuts—went up 6 percent from 1955 to 1956. Given average weather, 1957 production could be close to 1956.

Vegetables

Consumers have the money—and apparently the inclination—to continue during 1957 their hearty consumption of commercially produced vegetables. This is particularly true for processed vegetables. Consumption per person in recent years has been considerably above the pre-World War II figure.

Supplies of both canned and frozen vegetables available for distribution into mid-1957 appear to be substantially larger than a year ago. Biggest increases are for corn, tomato juice, and sauerkraut. Supplies of most other products are also expected to be larger.

However, growers may produce fewer vegetables for fresh market sale in the first half of 1957 than they did in 1956. Acreage of vegetables for winter harvest is down 11 percent from a year earlier, and indicated production is down 10 percent, largely because of drought and a shortage of water for irrigation in south Texas. The Department has recommended an aggregate acreage of vegetables for spring harvest 2 percent less than in 1956. Such an acreage with average yields would result in a moderately smaller production.

Potatoes

Prices into the spring of 1957 are expected to remain at relatively low levels because heavy supplies should be available. This is due primarily to the large fall crop. Winter acreage also was up from a year ago, with Florida plantings increased 56 percent and California 18 percent.

Sweetpotatoes

Supplies available for distribution into mid-1957 are about 20 percent smaller than a year earlier and the smallest since 1952. Prices into mid-1957 should average much higher than the low levels of a year earlier. This could mean increased acreage and at least moderately higher production in 1957 than in 1956.

Dry Peas

Exports should be much larger in 1957 because of severe weather damage to the European crop. This should go a long way toward relieving the 1956 production that was about a fourth above the 1949-54 average. Domestic use also should be up. Best estimate however: Farm prices for the 1956 crop will average favorable though probably under the high 1955-56 level.

Dry Beans

Overall supplies for 1957 will be ample. However, pintos and limas are scarcer than a year ago. Domestic consumption in 1956-57 may not change much from the previous season. Exports probably will be lower because of anticipated lighter shipments under Public Law 480.

With support rates at \$6.31 per hundred pounds, about the same as a year ago, growers should receive about the same prices for 1956-crop beans as for the 1955 crop. A slight cut in acreage is likely.

BETTER HOG PRICES LIKELY IN 1957

Price prospects for livestock producers are somewhat brighter for 1957—at least for the first half of the year.

Improved prices are most likely for hogs. Late farrowings of 1956 spring pigs were off sharply. The 1956 fall pig crop was down 4 percent, and producers intended last December to have no more sows farrow early 1957 spring pigs than a year ago.

Moreover, the total spring pig crop was indicated to be down 2 percent. Hence hog slaughter will likely stay below last year through most of 1957. It may increase again in 1958.

Cattle numbers are not changing much, as slaughter in 1956 was up 1 million head. Major difference in cattle herds as the new year begins is a welcome absence of an overload of heavy steers.

Total cattle slaughter in 1957 will likely about equal 1956. Prices are not likely to be as low in the first half as they were a year before. But a comparable gain in the second half is not at all certain.

Chances are good for higher lamb prices in the first half of 1957; less good for the second half.

Harold F. Breimyer
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FARMERS' PRICES

Indexes (1910-14=100)	1955		1956			
	Dec.	Year (average)	Sept.	Oct.	Nov.	Dec.
Prices received by farmers	222	236	236	234	234	237
Parity index (prices paid, interest, taxes, and wage rates)	278	281	287	287	289	289
Parity ratio	80	84	82	82	81	82

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Articles In This Publication

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Farmer's share of consumer's food dollar	
November 1956.....	40 percent
October 1956.....	40 percent
November 1955.....	39 percent

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